

Q2FY26 Earnings call highlights

Current Quarter: -

- LGD vs ND revenue contribution stands at 90% and 10% respectively for Q2FY26 vs 77% and 23% in Q2FY25. Online sales were 26% in Q2FY26. Out of the total revenues 85% penetration was from bridal jewellery and 15% from fashion jewellery.
- The decline in other expenses was primarily driven by two factors — the absence of marketing expenses in the US (incurred in Q2FY25 but not repeated this quarter) and a reduction in overall manufacturing-related costs during the period.
- 72% of the inventory as of September 2025 is with customers on consignment as finished jewellery in their stores and 5% of the inventory is B2C inventory.
- **Casting model: -**
 - Effective August 27, 2025, the United States raised tariffs on several Indian export categories — including lab-grown and natural diamond jewellery — from the earlier ~16% (5.5% import duty + 10% tariff) to a steep 56% (5.5% import duty + 50% tariff). This policy shift created significant challenges for Indian jewellery exporters.
 - Goldiam responded swiftly with a U.S.-origin casting model, a globally accepted and compliant approach that effectively mitigated tariff exposure. Through its U.S. subsidiary, Goldiam began casting raw gold into unfinished jewellery pieces within the United States, providing employment and job opportunities domestically in the US. These castings are then shipped to India for alterations, including processes like polishing, and diamond setting. By establishing US Product of Origin, through rulings from U.S. Customs, production of finished jewellery minimizes the net Tariff impact.
- Order book at the end of H1FY26 stands at Rs 2,000mn. This order book is expected to be executed in next 3-4 months. E-commerce sales, given their nature of being booked online (on a spot basis), are not part of the order book.
- Inventory spiked in H1FY26 due to the US casting model requiring 30 extra days of gold investment and stock buildup ahead of US dot-com sales and the festive season.
- Demand in the US remains strong, with healthy customer traction and no signs of slowdown
- Cracked few clients in Israel, Australia, Middle east.

ORIGEM: -

- ORIGEM now operates 11 stores — 8 in Mumbai, 2 in Noida, and 1 in Bengaluru — including marquee locations like Phoenix Palladium, R City Mall, Central 50, Wave One, and Phoenix Market City. Targets for 20-25 operational stores by the end of March 2026.
- Capex per store: ~Rs 35–40mn, of which Rs 25–30mn is inventory; ~40%+ of inventory value is gold, benefiting from extended credit terms (up to 6 months) via Goldiam.
- Monthly break-even: around Rs 20 lakh revenue per store.
- At ~Rs 40 lakh per month per store, the payback period is <3 year
- Many older stores (5–8 months) are **at/near monthly break-even**. The Company will look to Utilise QIP funds for 55–65 COCO stores, introduce franchise model, and then accelerate towards 200–300 stores.
- Aim to be a leading, pan-India LGD retail brand with presence across West, North and South and a structurally integrated business model.
- Retail sales stood at Rs 32mn in Q1FY26 and Rs 28mn in Q2FY26, with Q2 impacted by a non-festive lull and lower footfalls. Q3FY26 is expected to see strong growth — October alone matched Q2's entire sales. Several key mall stores have been signed or opened, with more launches lined up over the next 3–4 months to drive revenue momentum.
- The initial stores at Borivali and Bandra, operational for 5–8 months, have delivered satisfactory sales performance. Older stores have started crossing breakeven, and the company remains optimistic about the newly opened outlets in North and South India. Stores located in high-street malls are also expected to perform well in the coming months.
- Heavy focus on top-tier malls (Phoenix, Palladium and other corporate mall developers).
- Goldiam's listed status and strong balance sheet provide comfort to mall partners.
- Management expects industry consolidation, with only 2–3 serious national LGD players (15+ stores, and eventually 50+ stores) over the next 1–2 years; ORIGEM aims to be among these

Quarterly Financials and Key Performance Indicators

Exhibit 3: Quarterly Financials

Y/E March (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Particulars									
Net sales	1,334	2,018	1,479	1,658	1,370	2,796	1,986	2,297	1,928
RMAT	881	1,419	972	1,116	788	1,916	1,296	1,590	1,287
Staff cost	62	80	60	68	92	93	131	94	108
Other expenses	117	113	208	172	185	162	196	202	150
EBITDA	274	406	239	302	305	625	363	412	383
Depreciation	15	17	17	15	15	16	17	16	17
EBIT	259	390	223	288	290	609	345	396	367
Interest	0	0	(0)	0	1	1	2	1	1
Other Revenue/Income	59	31	35	39	41	83	33	60	91
Profit Before Tax	318	421	257	327	330	692	376	454	457
Tax	83	97	80	107	109	194	144	118	143
Profit After Tax	235	324	178	220	221	498	232	336	314
Growth (%)									
Revenue	57%	13%	10%	38%	3%	39%	34%	39%	41%
EBITDA	21.2%	23.9%	5.9%	35.0%	11.5%	53.9%	51.5%	36.1%	25.6%
PAT	25%	12%	10%	27%	-6%	54%	30%	53%	42%
Margin (%)									
EBITDA	21%	20%	16%	18%	22%	22%	18%	18%	20%
EBIT	24%	21%	17%	20%	24%	25%	19%	20%	24%
PAT	18%	16%	12%	13%	16%	18%	12%	15%	16%

Source: Company, MNCL Research

Financials (Consolidated)

Exhibit 4: Income Statement

Y/E March (Rs mn)	FY23	FY24	FY25A	FY26E	FY27E	FY28E
Revenues	5,332	6,029	7,810	9,474	12,282	15,426
Materials cost	3,528	4,086	5,116	6,347	8,045	9,952
<i>% of revenues</i>	<i>66%</i>	<i>68%</i>	<i>66%</i>	<i>67%</i>	<i>65%</i>	<i>65%</i>
Employee cost	243	257	384	483	702	942
<i>% of revenues</i>	<i>5%</i>	<i>4%</i>	<i>5%</i>	<i>5%</i>	<i>6%</i>	<i>6%</i>
Others	522	543	714	944	1,468	1,989
<i>% of revenues</i>	<i>10%</i>	<i>9%</i>	<i>9%</i>	<i>10%</i>	<i>12%</i>	<i>13%</i>
EBITDA	1,038.5	1,143.5	1,595.3	1,700.4	2,067.4	2,544.0
EBITDA margin (%)	19.48%	18.97%	20.43%	17.95%	16.83%	16.49%
Depreciation & Amortisation	73.9	61.0	63.2	99.8	155.6	214.8
EBIT	965	1,082	1,532	1,601	1,912	2,329
Interest expenses	1.0	0.3	3.6	3.6	3.6	3.6
PBT from operations	964	1,082	1,529	1,597	1,908	2,326
Other income	211.1	138.8	196.6	216.2	237.9	261.6
Exceptional items	-	-	-	-	-	-
PBT	1,175	1,221	1,725	1,813	2,146	2,587
Taxes	323	312	554	453	537	647
<i>Effective tax rate (%)</i>	<i>27%</i>	<i>26%</i>	<i>32%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>
Reported PAT	852	909	1,171	1,360	1,610	1,940
Adjusted PAT	852	909	1,171	1,360	1,610	1,940

Exhibit 5: Key Ratios

Y/E March	FY23	FY24	FY25A	FY26E	FY27E	FY28E
Growth Ratio (%)						
Revenue	-22.5%	13.1%	29.5%	21.3%	29.6%	25.6%
EBITDA	-20.1%	10.1%	39.5%	6.6%	21.6%	23.1%
Adjusted PAT	-19.6%	6.7%	28.8%	16.1%	18.4%	20.6%
Margin Ratios (%)						
EBITDA	19.5%	19.0%	20.4%	17.9%	16.8%	16.5%
PBT from operations	22.0%	20.3%	22.1%	19.1%	17.5%	16.8%
Adjusted PAT	16.0%	15.1%	15.0%	14.4%	13.1%	12.6%
Return Ratios (%)						
ROE	14.5%	15.0%	15.8%	15.4%	14.9%	16.2%
ROCE	17.4%	17.8%	22.2%	17.9%	17.5%	19.3%
Turnover Ratios (days)						
Gross block turnover ratio (x)	7.0	7.8	9.2	7.0	6.6	6.6
Debtors	101	86	70	80	80	80
Inventory	170	135	182	185	185	170
Creditors	93	60	53	50	50	50
Cash conversion cycle	177	161	199	215	215	200
Solvency Ratio (x)						
Net debt-equity	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)	(0.1)
Debt-equity	-	-	0.0	0.0	0.0	0.0
Gross debt/EBITDA	0.0	0.0	0.1	0.0	0.0	0.0
Current Ratio	6.0	7.3	6.5	7.9	8.0	8.2
Per share Ratios (Rs)						
Adjusted EPS	7.8	8.5	11.0	12.0	14.3	17.2
BVPS	53.7	59.0	69.3	91.3	100.5	111.9
CEPS	8.5	9.1	11.6	14.2	16.4	19.1
Valuation (x)*						
P/E (adjusted)	17.0	20.4	34.5	32.8	27.7	23.0
P/BV	2.3	2.1	1.8	1.4	1.2	1.1
EV/EBITDA	11.7	13.5	23.6	24.1	20.2	16.5

Source: Company, MNCL Research estimates

Exhibit 6: Balance Sheet

Y/E March (Rs mn)	FY23	FY24	FY25A	FY26E	FY27E	FY27E
SOURCES OF FUNDS						
Equity Share Capital	218	214	214	226	226	226
Reserves & surplus	5,639	6,091	7,187	10,079	11,125	12,407
Shareholders' fund	5,857	6,305	7,401	10,305	11,351	12,633
Minority Interest	65	50	51	51	51	51
Lease and Liability	27	47	184	411	926	1,785
Total Debt	0	0	86	86	86	86
Def tax liab. (net)	45	31	67	67	67	67
Total Liabilities	5,993	6,432	7,789	10,920	12,481	14,622
Gross Block	759	778	849	1,349	1,849	2,349
Less: Acc. Depreciation	362	381	444	544	700	914
Net Block	398	397	404	805	1,149	1,434
Right to use	27	48	185	282	567	1,076
Capital WIP	-	-	-	-	-	-
Net Fixed Assets	425	445	590	1,087	1,716	2,510
Investments	209	61	46	46	46	46
Inventories	2,483	2,226	3,884	5,143	6,696	8,008
Sundry debtors	1,473	1,427	1,501	2,032	2,345	2,722
Cash	1,060	1,448	1,820	2,773	1,968	1,776
Loans & Advances	22	74	10	10	10	10
Other assets	1,376	1,663	1,085	1,090	1,087	1,088
Total Current Asset	6,623	6,899	8,346	11,093	12,151	13,649
Trade payables	904	669	741	853	979	1,132
Other current Liab.	145	233	394	394	394	394
Provisions	7	8	12	12	12	12
Net Current Assets	5,568	5,988	7,199	9,834	10,765	12,112
Total Assets	5,993	6,432	7,789	10,920	12,481	14,622

Source: Company, MNCL Research estimates

Exhibit 7: Cash Flow

Y/E March (Rs mn)	FY23	FY24	FY25A	FY26E	FY27E	FY28E
Operating profit bef working capital changes	1,231	1,217	1,678	1,887	2,295	2,816
Trade and other receivables	375	85	(43)	(531)	(313)	(378)
Inventories	(714)	257	(1,658)	(1,259)	(1,552)	(1,312)
Trade payables	223	(236)	101	112	126	153
Changes in working capital	1,034	1,385	252	210	556	1,278
Direct taxes	(382)	(315)	(380)	(453)	(537)	(647)
Cash flow from operations	652	1,070	(129)	(244)	19	632
Net Capex	(92)	(66)	(75)	(500)	(500)	(500)
Others	(54)	(210)	707	-	-	-
Cash flow from investments	(146)	(276)	632	(500)	(500)	(500)
FCF	505	794	503	(744)	(481)	132
Issue of share capital	-	-	-	2,008	-	-
Increase/(decrease) in debt	(27)	-	86	-	-	-
dividend	(283)	(128)	(214)	(320)	(320)	(320)
Cash flow from financing	(311)	(535)	(131)	1,697	(324)	(324)
Net change in cash	194	259	372	953	(805)	(192)

Source: MNCL Research Estimates

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Goldiam Share price movement

